

NEA Aide Bared as Helping Set Up CIA Outlet Fund

William G. Carr, executive secretary of the National Education Association, helped set up a mysterious Washington-based fund that has received substantial money from Central Intelligence Agency sources.

Carr said last night he was one of the three incorporators of the Vernon Fund, which was established here in 1958.

He added that the Vernon Fund has supplied money to the NEA to help support operations of the World Confederation of Organizations of the Teaching Profession, of which he is secretary general.

The WCOTP is described in the NEA handbook as "non-governmental and nonpolitical."

Carr declined to say how much the NEA had received through the Vernon Fund. He emphasized that, in confirming his role in establishing the fund, he did not intend to imply that its income came from the CIA.

Tax records of the other foundations indicate, however, that money from funds and foundations associated with the



WILLIAM C. CARR

CIA has been funnelled to the Vernon Fund.

The link between the CIA and the NEA, the country's major organization of teachers and school administrators, seemed to parallel the relationship, revealed last week, between the CIA and the National Student Association. Officials of the student group said their overseas activities had been bankrolled for the last 15 years by the CIA.

Bryce Rea, Jr., an attorney with offices in the Munsey Building at 1329 E St., NW, said he incorporated the fund and served as one of the incorporators. The third incorporator was Edith G. Williamson, a secretary in his office, who has since died.

Rea said he is still attorney for the fund and his office is listed as the fund headquarters.

He declined, however, to say who else is connected with the fund, where it gets its money or what it does with it.

The fund was granted tax-

exempt status by the Internal Revenue Service only two weeks after it was incorporated although normally a wait for a year is required. There is no record, however, that the fund has filed tax returns in the last nine years.

The operations of the Vernon Fund appear to differ significantly from those of other funds and foundations associated with the CIA.

In virtually all cases uncovered so far, CIA money has been channeled from a mysterious front organization to an established foundation, which then passes the money on to finance the activities of such groups as the National Student Association.

In at least two instances, however, CIA funds have been channeled up to an established foundation and then back down to the mysterious Vernon Fund.

Tax records of the Benjamin Rosenthal Foundation of New York show, for example, that \$30,000 was received from the Price Fund—previously identified as a source of CIA money—in 1961 and half of it was passed on to the Vernon Fund.

In 1962, the Rosenthal Foundation got \$25,000 from the Edsel Fund—again a source of CIA money—and passed it all on to the Vernon Fund.

In 1963, the Rosenthal Foundation received \$25,000 each from the Price and Edsel Funds and passed half of it on to the Vernon Fund.

Vernon Fund Listed

Tax records of the Marshall Foundation of Houston, Tex., for 1963 do not show the source of income. But they report that several groups that have received CIA funds from other sources received substantial grants. Listed among them is \$25,000 for the Vernon Fund.

The WCOTP was founded in 1952 as the merger of three existing federations of teachers and, according to the NEA handbook, "plays a role at the international level similar to that of the national teachers' associations within a country."

Its headquarters is at 1330 Massachusetts Ave. NW. It also has offices in Paris; New Delhi; Tokyo; Accra, Ghana; Beirut, Lebanon; Sao Paulo, Brazil; and Lima, Peru.

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